

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input checked="" type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Huron County Drains	County Huron
Fiscal Year End 12/31/2006	Opinion Date 05/23/2007	Date Audit Report Submitted to State 06/28/2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

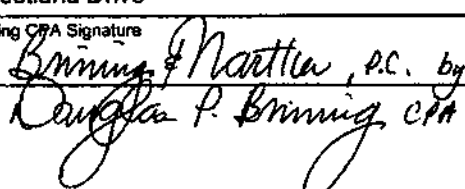
YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Brining & Nartker, P.C.		Telephone Number 989-269-9909	
Street Address 64 Westland Drive		City Bad Axe	State MI
Zip 48413			
Authorizing CPA Signature 	Printed Name Douglas P. Brining		License Number 08283

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**

**FINANCIAL REPORT
DECEMBER 31, 2006**

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**

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**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**

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A COMPONENT UNIT OF HURON COUNTY, MICHIGAN**

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BRINING & NARTKER, P.C.

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INDEPENDENT AUDITORS' REPORT

Board of County Road Commissioners of
Huron County
Bad Axe, Michigan 48413

We have audited the basic financial statements of the Huron County Drain Funds, a component unit of Huron County, Michigan, as of December 31, 2006, and for the year then ended as listed in the table of contents. These financial statements are the responsibility of the Drain Funds' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Huron County Drain Funds as of December 31, 2006, and the results of its operations for the year then ended, in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis information on pages 2 through 6 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Huron County Drain Funds. The schedules and statements on pages 19 through 42 are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Drain Funds of Huron County, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


BRINING & NARTKER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

May 23, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

Commissioners:
John M. Hunt
Michael A. Power
Alan J. McTaggart

Board of Huron County Drain Commissioners

417 S. Hanselman Street
Bad Axe, MI 48413

Deputy Drain Commissioner:
J. Dean Smith

(989) 269-6405

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Management's Discussion and Analysis

This section of the Huron County Drain Commission's (the "Drain Commission") annual financial report presents management's discussion and analysis of financial performance for the fiscal year that ended December 31, 2006. This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities, and to identify significant changes in financial position and results of operations. Please read this section in conjunction with the auditors report and with our financial statements that follow this section.

Financial Highlights

- The Drain Commission's total net assets increased by approximately \$585,000.
- During the year, unrestricted net assets increased by approximately \$185,000.
- Total Revenue sources for the year of \$2.5 million exceeded expenditures of \$1.9 million by \$600,000.
- \$2 million was invested in capital assets during the year.

Overview of the Financial Statements

Basic financial statements, in accordance with generally accepted accounting principles (GAAP) according to GASB 34, require the presentation of two types of financial statements. These are authority-wide statements and fund statements.

Authority-wide financial statements include the statement of net assets and the statement of activities. These provide both long-term and short-term information, and present a broad view of the overall financial status in a manner similar to a private sector business. Long-term assets are capitalized and depreciated. Long-term debt is recorded as a liability. Revenues are recorded when "earned" and expenses recorded when "incurred", without regard to the timing of cash receipts or disbursements.

The statement of net assets includes all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of improving or deteriorating financial position. The statement of activities presents information showing how net assets changed during the year as a result of operating activity.

Huron County Drain Commission

Management's Discussion and Analysis (Continued)

Fund financial statements contain individual groups of related accounts and are used to report current liabilities, fund balances, revenues and expenditures. These are presented in more detail as compared to the authority-wide statements. The financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Financial Analysis of the Drain Commission as a Whole

Net Assets

The Drain Commission's combined net assets increased during 2006 by approximately \$585 thousand ending the year at \$13 million. Table 1 below shows the composition of the Drain Commission's net assets at December 31, 2006 and 2005.

Table 1

	<u>Governmental Activities</u> (in thousands)	
	<u>2006</u>	<u>2005</u>
Assets		
Current and other assets	\$ 8,555	\$ 8,402
Capital assets and other non-current assets	30,589	28,703
Total assets	<u>39,144</u>	<u>37,105</u>
Liabilities		
Long-term liabilities outstanding	21,386	20,173
Other liabilities	4,386	4,145
Total liabilities	<u>25,772</u>	<u>24,318</u>
Net Assets		
Invested in capital assets – Net of related debt	7,506	7,107
Restricted	5,866	5,680
Total net assets	<u>\$ 13,372</u>	<u>\$ 12,787</u>

Changes in Net Assets

The Drain Commission's change in net assets is a combination of various revenue sources and expense categories as shown in Table 2.

Revenue from various sources was \$2,518,000, while expenses were \$1,933,000 for 2006.

This leaves the Huron County Drain Commission with revenue over expenses from activities for the current year of \$585,000.

Huron County Drain Commission

Management's Discussion and Analysis (Continued)

Income

Contributions include revenue from the special drain assessments in 2005.

Interest is the amount of income derived from investments of contingency money.

Miscellaneous money is revenue from the sale of used material from construction projects. This typically consists of used culvert pipe and bridge materials.

Expenses

Maintenance work includes projects such as drain dip outs, installing erosion control structures and brush and cattail work.

Contracted Services includes legal and other services.

Miscellaneous is the amount charged against drains such as labor.

Interest is that amount which is paid to various lenders for debt-funded projects.

Table 2

	<u>Governmental Activities</u> (in thousands)	
Revenue	<u>2006</u>	<u>2005</u>
Capital Grants and Contributions	\$ 2,126	\$ 2,352
Interest	292	183
Miscellaneous	100	32
Total Revenue	<u>2,518</u>	<u>2,567</u>
Expenses		
Maintenance	436	389
Contracted Services	89	125
Miscellaneous	12	90
Depreciation and Depletion	858	787
Interest	538	548
Total Expenses	<u>1,933</u>	<u>1,939</u>
Change in Net Assets	<u>\$ 585</u>	<u>\$ 628</u>

Huron County Drain Commission

Management's Discussion and Analysis (Continued)

Capital Assets

The Drain Commission had approximately \$20 million in net capital assets at the end of the year. The infrastructure amount includes expenditures since 1980.

	<u>Governmental Activities</u> (in thousands)	
	<u>2006</u>	<u>2005</u>
Land Improvements	\$ 2,349	\$ 2,349
Work in Progress	1,394	1,509
Drainage Systems	25,718	23,592
Total	<u>\$29,461</u>	<u>\$27,450</u>

Land improvements during the year involved the completion of construction work on the Cook and Branches and the East Branch of the Willow Creek and Branches County Drains. New construction work began on the Campau and Branches, McMullen and Branches and the Symons and Branches County Drains. These projects included pulling the side slopes of the drains on a 2:1 contour, installing erosion control structures, installing sediment control structures and the constructing and installation of culverts and bridges for road and landowner crossings.

The above referenced current projects consist of 12.57 miles of construction work on the Cook and Branches County Drain, which is located in Paris and Sherman Townships. The East Branch of the Willow Creek and Branches County Drain located in Bloomfield, Bingham, Paris, Sigel and Verona Townships included construction work on 12.13 miles of drain. The Campau and Branches County Drain has 6.31 miles of drain and is located in Caseville and McKinley Townships. The McMullen and Branches County Drain has 10.21 miles of drain located in Chandler, Colfax, Meade and Oliver Townships. The Symons and Branches County Drain has 5.95 miles of drain located in Colfax, Lincoln and Verona Townships.

All other referenced Drainage systems consist of previously constructed and reconstructed work on county drains since 1980.

Economic Factors and Next Year's Budget

Huron County is fortunate to have an adequate amount of competent drain contractors that provide a stable and competitive market for drainage services. One potential area of concern for drainage work includes the possibility of continuing increase of interest rates that help to service the funding of our projects. Other areas of concern are the continuing rise in cost of materials and supplies for our construction projects based on the rising cost of fuel and related oil products, steel and concrete products which may increase the cost of construction from our drain contractors and suppliers. A continuous rise in these areas of concern may result in drain project postponements.

Huron County Drain Commission

Management's Discussion and Analysis (Continued)

The Cook and Branches County Drain and East Branch of the Willow Creek project were completed in 2006. The Campau, McMullen, and Symons Drain projects are expected to be completed by mid-summer of 2007.

Expected major construction projects upcoming in 2006 include construction work on the Coleman and Branches County Drain located in Verona Township, the Maywood and Branches County Drain located in Verona Township and the Scepanski County Drain located in Caseville Township.

Contacting the Drain Commission's Financial Management

This financial report is designed to provide a general overview of the Drain Commission's finances and accountability of the public trust. Questions regarding any of the information provided in this report or requests for additional information should be addressed to the Deputy Drain Commissioner, Huron County Road Commission, 417 South Hanselman Street, Bad Axe, MI 48413.

BASIC FINANCIAL STATEMENTS

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
STATEMENT OF NET ASSETS
DECEMBER 31, 2006**

ASSETS:

Current assets:

Cash and investments	\$ 6,344,995
Special assessments receivable	2,210,442

Noncurrent assets:

Special assessments	10,367,038
Capital assets (net of accumulated depreciation)	20,221,925

TOTAL ASSETS

39,144,400

LIABILITIES:

Current liabilities:

Accounts payable	-
Due to other component units	59,256
Notes payable	286,817
Bonds payable	1,410,000
Interest payable	65,130
Advance from primary government	217,000
Deferred revenue	2,348,395

Noncurrent liabilities:

Notes payable	608,616
Bonds payable	10,410,000
Deferred revenue	10,367,038

TOTAL LIABILITIES

25,772,252

NET ASSETS:

Investment in capital fixed assets

net of related debt	7,506,492
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Unrestricted

5,865,656

TOTAL NET ASSETS

\$ 13,372,148

The accompanying notes are an integral part of the financial statements.

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006**

PROGRAM EXPENSES:

Public works - drains	
Maintenance expense	\$ 435,692
Contracted services	89,894
Miscellaneous expense	12,082
Depreciation expense	857,624
Interest expense	537,907
TOTAL PROGRAM EXPENSES	<u>1,933,199</u>

PROGRAM REVENUE:

Capital grants and contributions	2,126,385
Investment earnings	292,002
Miscellaneous	99,779
TOTAL PROGRAM REVENUE	<u>2,518,166</u>

NET PROGRAM REVENUE	<u>584,967</u>
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GENERAL REVENUE	-
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CHANGE IN NET ASSETS	<u>584,967</u>
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NET ASSETS - BEGINNING OF YEAR	12,787,181
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NET ASSETS - END OF YEAR	<u>\$ 13,372,148</u>
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The accompanying notes are an integral part of the financial statements.

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2006**

	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>			
Cash and investments	\$ 3,492,719	\$ 2,852,275	\$ 6,344,994
Special assessments receivable	2,150,201	60,242	2,210,443
Due from other funds	-	505,825	505,825
Advance to Revolving Drain Fund	-	158,797	158,797
TOTAL ASSETS	<u>\$ 5,642,920</u>	<u>\$ 3,577,139</u>	<u>\$ 9,220,059</u>
<u>LIABILITIES AND FUND EQUITY</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	505,826	-	505,826
Due to other component units	-	59,256	59,256
Deferred revenues	2,276,086	72,310	2,348,396
TOTAL LIABILITIES	<u>2,781,912</u>	<u>131,566</u>	<u>2,913,478</u>
<u>FUND EQUITY:</u>			
Advance from County General Fund	-	217,000	217,000
Fund balance:			
Reserved for long-term advances	-	158,797	158,797
Unreserved - designated	2,861,008	3,069,776	5,930,784
TOTAL FUND EQUITY	<u>2,861,008</u>	<u>3,445,573</u>	<u>6,306,581</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 5,642,920</u>	<u>\$ 3,577,139</u>	<u>\$ 9,220,059</u>

**HURON COUNTY DRAIN FUNDS
RECONCILIATION OF THE BALANCE SHEET FUND BALANCE TO
THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Total governmental fund balance	\$ 5,930,784
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	20,221,925
Long-term liabilities are not due in the current period and therefore are not reported in the funds:	
Notes payable	(895,431)
Bonds payable	(11,820,000)
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the Governmental Funds Balance Sheet.	(65,130)
Net assets of governmental activities	<u>\$ 13,372,148</u>

The accompanying notes are an integral part of the financial statements.

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES:			
Special assessments	\$ 1,978,442	\$ 147,943	\$ 2,126,385
Interest	182,150	109,853	292,003
Other	-	99,779	99,779
TOTAL REVENUES	<u>2,160,592</u>	<u>357,575</u>	<u>2,518,167</u>
EXPENDITURES:			
Construction and maintenance	-	2,542,263	2,542,263
Principal	1,480,635	-	1,480,635
Interest and fees	547,020	-	547,020
TOTAL EXPENDITURES	<u>2,027,655</u>	<u>2,542,263</u>	<u>4,569,918</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>132,937</u>	<u>(2,184,688)</u>	<u>(2,051,751)</u>
OTHER FINANCING SOURCES:			
Proceeds on borrowings	-	2,235,000	2,235,000
NET CHANGE IN FUND BALANCE	<u>132,937</u>	<u>50,312</u>	<u>183,249</u>
FUND BALANCE - JANUARY 1	2,728,071	3,019,464	5,747,535
FUND BALANCE - DECEMBER 31	<u>\$ 2,861,008</u>	<u>\$ 3,069,776</u>	<u>\$ 5,930,784</u>

**HURON COUNTY DRAIN FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006**

Net change in fund balance - total governmental funds	\$ 183,249
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense:	
Capital outlay incurred in the current year	2,011,444
Depreciation	(857,624)
Repayment of debt is an expenditure in governmental funds, but it reduces the long-term liabilities in the statement of net assets.	1,480,635
Loan proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing notes and bonds increases long-term liabilities and does not affect the statement of activities.	(2,235,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Increase in interest payable	2,263
Change in net assets of governmental activities.	<u>\$ 584,967</u>

The accompanying notes are an integral part of the financial statements.

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity:

Huron County Drain Commission--Each of the drainage districts within Huron County are established pursuant to the Drain Code of 1956 and are separate legal entities, with the power to contract, to sue and be sued, to hold, manage and dispose of real and personal property, etc. The statutory drainage board of Chapter 20 (MCL 280.461 et seq.) drainage districts consists of the drain commissioners, the chairperson of the county board of commissioners, and one other member of the board of commissioners. The statutory drainage board of Chapter 5 (MCL 280.101 et seq.) and Chapter 6 (MCL 280.121 et seq.) drainage districts consists of the State Director of Agriculture and the drain commissioners of each county involved in the project. The county drain commissioner has sole responsibility to administer the drainage district established pursuant to Chapter 3 (MCL 280.51 et seq.) and Chapter 4 (MCL 280.71 et seq.) of the Drain Code.

The drainage board or drain commissioners, on behalf of the drainage district, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the county board of commissioners. The full faith and credit of the county may be given for the debt of the drainage district. There is created for each project petitioned for under the provisions of the Chapter 21 (MCL 280.511 et seq.) drainage districts, an augmented drainage board to consist of the members of the drainage board together with the chairman of the board of supervisors and the chairman of the board of county auditors of each county involved. The statutory drainage board of Chapter 8 (MCL 280.191 et seq.) drainage districts consists of the Drain Commissioner, the State Director of Agriculture, and the commissioners of each county involved.

In accordance with the provisions of the Governmental Accounting Standards Board GASB Statement No. 14, as amended by Statement No. 39, the Drain Funds are considered to be component units of Huron County for financial reporting purposes. The criteria established by GASB for determining the various governmental organizations to be included in the reporting entity's financial statements are discussed in the following paragraphs.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The reasons cited for including the Huron County Drain Funds as a component unit of Huron County (the primary government) include the appointment of a majority of the Road Commission's governing board, and the potential for a financial benefit or burden on the County.

Related Organizations:

The Board of County Road Commissioners is the appointed governing body of the Drain Funds of Huron County. It is also the appointed governing body of the Road Commission, Parks and Airport Funds and these funds are also component units of Huron County, but are not included in these financial statements. The component unit financial statements for the Road Commission, Parks and Airport Funds are issued in separate reports, which are available at the Huron County Road Commission office located at 417 S. Hanselman Street, Bad Axe, Michigan.

Measurement Focus, Basis of Accounting and Financial Statement Presentation:

The government-wide financial statements (i.e., statement of net assets and statement of activities) are reported using the economic resource measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grant and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

(Continued)

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Drain Assessments:

Assessments are levied against property owners deemed to "benefit" from the creation of a drainage district. These assessments are used to repay long-term debt that was issued to finance major construction projects or the cost of maintenance work performed. The assessments are levied on each December 1st based on the allocated portion of the property's drain usage. These assessments have a final collection date of February 28 before they are added to the County's delinquent tax rolls. The delinquent assessments are purchased by the County's Revolving Tax Fund.

"At-large" assessments are paid by the County's General Fund and also by most of the townships, villages or cities in Huron County for drain costs that benefit the public rather than a specific land owner. Delinquent at-large assessments are not purchased by the County's Revolving Tax Fund.

These assessments are recorded as revenue for the year when current collections are completed, which is the fiscal year following the levy date of December 1.

Depreciation:

Capital outlays are recorded as expenditures of the Capital Projects Fund and as assets in the government-wide financial statements. Depreciation is recorded on capital assets on a government-wide basis using the straight line method and the following estimated useful life:

Drainage systems	30 years
------------------	----------

Accounting Estimates:

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 2 - CASH AND INVESTMENTS

Deposits are carried at cost. Deposits of the Drain Funds are at various banks in the name of the Huron County Treasurer. Michigan Compiled Laws Section 129.91, authorizes the County to deposit and invest in the accounts of Federally insured banks, credit unions and savings and loan associations; bonds, securities and other obligations of the United States; United States government or Federal agency obligation repurchase agreements; banker's acceptance of United States banks; mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan; and commercial paper rated by two standard rating agencies within the three highest classifications, which mature not more than 270 days after the date of purchase, and which involves no more than 50 percent of any one fund.

Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Drain Funds' deposits are in accordance with statutory authority. The Governmental Accounting Standards Board (GASB) Statement No. 3, as amended by Statement No. 40, risk disclosures for the Drain Funds' cash deposits are as follows:

(Continued)

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)**

NOTE 2 – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk:

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Drain Fund's deposits may not be returned to it. The Drain Funds do not have a policy for custodial credit risk. At year end, the Drain Funds had \$409,801 of bank deposits (checking accounts, savings accounts or certificates of deposit).

For the purposes of these component unit financial statements, the extent of FDIC insurance coverage cannot be determined because some of the accounts are maintained by the Huron County Treasurer in pooled accounts, which include other County funds that are outside of the Drain Funds' reporting entity. These accounts are maintained at various banking institutions which are also used for deposits of other funds of the County of Huron.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Michigan law and the Drain Funds investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments.

Credit Risk:

As of December 31, 2006, the Drain Funds had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Bank investment pools	\$ 2,163,574	Not rated	N/A
Bank investment pools	\$ 4,123,218	Aaa	Moody's

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Drain Funds have no investment policy that would further limit its investment choices.

Concentration of Credit Risk:

The investment policy of the Drain Funds contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by Michigan law.

NOTE 3 – CAPITAL ASSETS

Capital assets activity for the current year was as follows:

	<u>Balance January 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2006</u>
Capital assets, not being depreciated -				
Land improvements	\$ 2,349,213	\$ -	\$ -	\$ 2,349,213
Construction in progress	1,509,223	1,325,328	1,440,521	1,394,030
Total capital assets, not being depreciated	<u>3,858,436</u>	<u>1,325,328</u>	<u>1,440,521</u>	<u>3,743,243</u>
Capital assets, being depreciated -				
Drainage systems	23,591,571	2,126,637	-	25,718,208
Less - accumulated depreciation for -				
Drainage systems	(8,381,902)	(857,624)	-	(9,239,526)

(Continued)

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)**

NOTE 3 – CAPITAL ASSETS (Continued)

Capital assets activity for the current year was as follows: (Continued)

	Balance January 1, 2006	Additions	Deletions	Balance December 31, 2006
Total capital assets, being depreciated, net	15,209,669	1,269,013	-	16,478,682
Governmental activity capital assets, net	<u>\$ 19,068,105</u>	<u>\$ 2,594,341</u>	<u>\$ 1,440,521</u>	<u>\$ 20,221,925</u>

NOTE 4 - LONG-TERM DEBT

The Drain Funds' long-term indebtedness at December 31, 2006 includes the following:

General Obligation Bonds:

Bad Axe Drain Series 1992, interest at 6.4% due semi-annually, with principal due in annual installments of \$75,000.	\$ 75,000
Bad Axe Drain Series 1994, interest at 5.5% to 5.9% due semi-annually, with principal due in annual installments of \$50,000 to \$75,000.	500,000
Cramp Drain Series 1994, interest at 5.7% to 5.9% due semi-annually, with principal due in annual installments of \$30,000.	90,000
Todd Drain Series 1994, interest at 6.6% to 6.9% due semi-annually, with principal due in annual installments of \$35,000.	140,000
Pitcher Drain Series 1996, interest at 5.0% due semi-annually, with principal due in annual installments of \$35,000 to \$40,000.	190,000
Thompson Drain Series 1997, interest at 4.9% due semi-annually, with principal due in annual installments of \$40,000.	40,000
Allen Drain Series 1997, interest at 4.5% due semi-annually, with principal due in annual installments of \$100,000 to \$125,000.	675,000
Crumbach Drain Series 1998, interest at 4.75% to 5.0% due semi-annually, with principal due in annual installments of \$20,000 to \$25,000.	165,000
Schram Drain Series 1998, interest at 4.65% to 5.0% due semi-annually, with principal due in annual installments of \$70,000.	490,000
Bay Port Drain Series 1998, interest at 4.5% to 4.75% due semi-annually, with principal due in annual installments of \$35,000 to \$40,000.	450,000
Lincoln Drain Series 1999, interest at 5.05% to 5.35% due semi-annually, with principal due in annual installments of \$35,000.	140,000

(Continued)

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)**

NOTE 4 - LONG-TERM DEBT (Continued)

General Obligation Bonds:

Shebeon Intercounty Drain Series 2000, interest at 5.4% to 5.5% due semi-annually, with principal due in annual installments of \$225,000.	900,000
Harbor Beach Consolidated Drain Series 2000, interest at 4.75% to 5.5% due semi-annually, with principal due in annual installments of \$50,000 to \$100,000.	1,025,000
Beaubien Drain Series 2000, interest at 4.95% to 5.15% due semi-annually, with principal due in annual installments of \$50,000.	250,000
Cameron Drain Series 2001, interest at 4.30% to 5.0% due semi-annually, with principal due in annual installments of \$30,000 to \$35,000.	235,000
Taft Drain Series 2002, interest at 3.80% to 4.45% due semi-annually, with principal due in annual installments of \$65,000 to \$70,000.	400,000
Filion Drain Series 2003, interest at 3.45% due semi-annually, with principal due in annual installments of to \$40,000.	480,000
East Branch of the Willow Creek Drain Series 2005, interest at 3.0% to 4.0% due semi-annually, with principal due in annual installments of \$125,000 to \$150,000.	2,075,000
Cook Drain Series 2005, interest at 3.05% to 4.35% due semi-annually, with principal due in annual installments of \$35,000.	385,000
Sebewaing River Intercounty Drain Series 2004, interest at 2.30% to 3.8% due semi-annually, with principal due in annual installments of \$110,000.	880,000
Campau Drain Series 2006, interest at 3.65% to 4.40% due semi-annually, with principal due in annual installments of \$45,000 to 50,000.	720,000
McMullen Drain Series 2006, interest at 3.85% to 4.65% due semi-annually, with principal due in annual installments of \$50,000 to 75,000.	1,050,000
Symons Drain Series 2006, interest at 4.0% to 4.125% due semi-annually, with principal due in annual installments of \$30,000 to 35,000.	465,000
	<u>\$ 11,820,000</u>

Section 434 of Act 40 Special Assessment Notes Payable:

Weber Drain, due in annual installments of \$20,000, plus interest at 5.6%.	80,000
Boltzer Drain, due in annual installments of \$14,000, plus interest at 5.73%.	84,000
Stenton Drain, due in annual installments of \$13,400, plus interest at 6.2%.	80,400
Conkey Drain, due in annual installments of \$11,200, plus interest at 4.9% to 5.35%.	22,400

(Continued)

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)**

NOTE 4 - LONG-TERM DEBT (Continued)

Section 434 of Act 40 Special Assessment Notes Payable:

Grifka Drain, due in annual installments of \$10,400, plus interest at 4.8%.	31,200
Teddy Drain, due in annual installments of \$16,800, plus interest at 5.35%.	33,600
Fogle Drain, due in annual installments of \$11,083, plus interest at 5.5%.	44,333
Evans and Branches Drain, due in annual installments of \$9,700, plus interest at 5.11%.	77,600
Check and Branches Drain, due in annual installments of \$27,000, plus interest at 4.86%.	81,000
Mazure Drain, due in annual installments of \$12,900, plus interest at 5.23%.	38,700
Murray Drain, due in annual installments of \$8,333, plus interest at 5.45%.	50,000
Richardson Drain, due in annual installments of \$16,700, plus interest at 5.6%.	66,800
Frederick Drain, due in annual installments of \$5,900, plus interest at 4.1%.	77,200
Gettel Drain, due in annual installments of \$9,400, plus interest at 2.5%.	28,200
Schram Drain, due in one annual installment of \$100,000, plus interest at 2.5%.	100,000
	<u><u>\$ 895,433</u></u>

The following is a summary of changes in long-term debt of the Drain Funds for the year ended December 31, 2006:

General Obligation Bonds Payable:

<u>DRAIN</u>	<u>BALANCE</u> <u>1/1/06</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> <u>12/31/06</u>
Bad Axe - Phase 1	\$ 150,000	\$ -	\$ 75,000	\$ 75,000
Bad Axe - Phase 2	550,000	-	50,000	500,000
Cramp	120,000	-	30,000	90,000
Todd	175,000	-	35,000	140,000
Pitcher	225,000	-	35,000	190,000
Thompson	75,000	-	35,000	40,000
Allen	800,000	-	125,000	675,000
Crumbach	185,000	-	20,000	165,000
Schram	560,000	-	70,000	490,000
Bay Port	485,000	-	35,000	450,000
Lincoln	175,000	-	35,000	140,000
Shebeon	1,125,000	-	225,000	900,000
Harbor Beach	1,075,000	-	50,000	1,025,000
Beaubien	300,000	-	50,000	250,000
Cameron	265,000	-	30,000	235,000
Taft	465,000	-	65,000	400,000
Filion	520,000	-	40,000	480,000

(Continued)

HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 4 - LONG-TERM DEBT (Continued)

General Obligation Bonds Payable: (Continued)

<u>DRAIN</u>	<u>BALANCE</u> <u>1/1/06</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> <u>12/31/06</u>
Willow Creek	2,210,000	-	135,000	2,075,000
Cook	420,000	-	35,000	385,000
Sebewaing River Intercounty	982,000	-	102,000	880,000
Campau	-	720,000	-	720,000
McMullen	-	1,050,000	-	1,050,000
Symons	-	465,000	-	465,000
	<u>\$ 10,862,000</u>	<u>\$ 2,235,000</u>	<u>\$ 1,277,000</u>	<u>\$ 11,820,000</u>

Section 434 Notes Payable:

<u>DRAIN</u>	<u>BALANCE</u> <u>1/1/06</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> <u>12/31/06</u>
Bayside Villa	\$ 9,970	\$ -	\$ 9,970	\$ -
Weber	100,000	-	20,000	80,000
Sanilac and Huron Inter-County	6,848	-	6,848	-
Boltzer	98,000	-	14,000	84,000
Stenton	93,800	-	13,400	80,400
Conkey	33,600	-	11,200	22,400
Grifka	41,600	-	10,400	31,200
Teddy	50,400	-	16,800	33,600
Fogle	55,417	-	11,083	44,334
Evans	87,300	-	9,700	77,600
Check	108,000	-	27,000	81,000
Mazure	51,600	-	12,900	38,700
Murray	58,333	-	8,334	49,999
Richardson	83,500	-	16,700	66,800
Frederick	83,100	-	5,900	77,200
Gettel	37,600	-	9,400	28,200
Schram	100,000	-	-	100,000
	<u>\$ 1,099,068</u>	<u>\$ -</u>	<u>\$ 203,635</u>	<u>\$ 895,433</u>

Annual debt service requirements to maturity are as follows:

General Obligation Bonds Payable:

<u>YEAR ENDING DECEMBER 31,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2007	\$ 1,410,000	\$ 485,027	\$ 1,895,027
2008	1,345,000	424,046	1,769,046
2009	1,375,000	363,848	1,738,848
2010	1,320,000	303,601	1,623,601
2011	1,055,000	251,270	1,306,270
2012-2016	3,450,000	719,575	4,169,575
2017-2021	1,830,000	174,334	2,004,334
2022-2026	35,000	722	35,722
	<u>\$ 11,820,000</u>	<u>\$ 2,722,423</u>	<u>\$ 14,542,423</u>

(Continued)

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)**

NOTE 4 - LONG-TERM DEBT (Continued)

Section 434 Notes Payable:

YEAR ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2007	\$ 286,817	\$ 44,183	\$ 331,000
2008	186,817	31,974	218,791
2009	158,817	22,174	180,991
2010	99,117	13,912	113,029
2011	51,333	8,409	59,742
2012-2016	94,332	12,517	106,849
2017-2021	18,200	1,512	19,712
	<u>\$ 895,433</u>	<u>\$ 134,681</u>	<u>\$ 1,030,114</u>

NOTE 5 - DUE FROM/TO OTHER COMPONENT UNITS

Interfund receivable and payable balances at December 31, 2006 were as follows:

	<u>DUE FROM</u>	<u>DUE TO</u>
Drain Funds:		
Road Commission*	<u>\$ -</u>	<u>\$ 59,256</u>

*The Road Commission is the operating fund of the Huron County Road Commission, which is another component unit of the County of Huron. The financial statements for the Huron County Road Commission are issued under separate cover. All amounts are expected to be repaid within one year.

NOTE 6 - CONTINGENT LIABILITIES

Various suits have been filed against the Drain Funds as a result of construction work on drains. One of the suits could involve a substantial claim, however, it is the opinion of counsel that the Drain Funds should have sufficient insurance to cover any losses. The Drain Funds would be liable for a \$1,000 deductible on their insurance for each suit that is successful.

NOTE 7 - RISK MANAGEMENT

The Drain Funds are exposed to various risks of loss related to torts and errors and omissions. The Drain Funds have obtained insurance coverage for these risks through the Huron County Road Commission as a member of the Michigan County Road Commission Self Insurance Pool, a public entity risk pool. The MCRCSIP currently operates as a common risk management and insurance program which charges annual premiums to its members for coverage. The pool is self-sustaining through member premiums and provides reinsurance through commercial companies for claims in excess of \$10 million for each insured event.

SUPPLEMENTAL INFORMATION

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2006**

	<u>DRAINS</u>	<u>CHAPTER 21 DRAINS</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and investments	\$ 3,275,001	\$ 217,718	\$ 3,492,719
Special assessments receivable	1,713,890	436,311	2,150,201
TOTAL ASSETS	<u><u>\$ 4,988,891</u></u>	<u><u>\$ 654,029</u></u>	<u><u>\$ 5,642,920</u></u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES:</u>			
Due to other funds	\$ 421,569	\$ 84,257	\$ 505,826
Deferred revenues	1,759,184	516,902	2,276,086
TOTAL LIABILITIES	<u>2,180,753</u>	<u>601,159</u>	<u>2,781,912</u>
<u>FUND BALANCE:</u>			
Unreserved - designated	2,808,138	52,870	2,861,008
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 4,988,891</u></u>	<u><u>\$ 654,029</u></u>	<u><u>\$ 5,642,920</u></u>

HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>DRAINS</u>	CHAPTER 21 <u>DRAINS</u>	<u>TOTAL</u>
REVENUES:			
Special assessments	\$ 1,594,656	\$ 383,786	\$ 1,978,442
Interest	171,011	11,139	182,150
TOTAL REVENUES	<u>1,765,667</u>	<u>394,925</u>	<u>2,160,592</u>
EXPENDITURES:			
Principal	1,146,787	333,848	1,480,635
Interest and fees	459,042	87,978	547,020
TOTAL EXPENDITURES	<u>1,605,829</u>	<u>421,826</u>	<u>2,027,655</u>
NET CHANGE IN FUND BLANACE	<u>159,838</u>	<u>(26,901)</u>	<u>132,937</u>
FUND BALANCE - JANUARY 1	2,648,300	79,771	2,728,071
FUND BALANCE - DECEMBER 31	<u>\$ 2,808,138</u>	<u>\$ 52,870</u>	<u>\$ 2,861,008</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2006**

	<u>DRAINS</u>	<u>REVOLVING DRAINS</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,794,072	\$ 58,203	\$ 2,852,275
Special assessments receivable	60,242	-	60,242
Due from other funds	505,825	-	505,825
Preliminary drain expense - deferred	-	158,797	158,797
TOTAL ASSETS	<u><u>\$ 3,360,139</u></u>	<u><u>\$ 217,000</u></u>	<u><u>\$ 3,577,139</u></u>
<u>LIABILITIES AND FUND EQUITY</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ -	\$ -	\$ -
Due to other component units	59,256	-	59,256
Deferred revenues	72,310	-	72,310
TOTAL LIABILITIES	<u><u>131,566</u></u>	<u><u>-</u></u>	<u><u>131,566</u></u>
<u>FUND EQUITY:</u>			
Advance from County General Fund	-	217,000	217,000
Reserved for long-term advances	158,797	-	158,797
Fund balance - designated	3,069,776	-	3,069,776
TOTAL FUND EQUITY	<u><u>3,228,573</u></u>	<u><u>217,000</u></u>	<u><u>3,445,573</u></u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 3,360,139</u></u>	<u><u>\$ 217,000</u></u>	<u><u>\$ 3,577,139</u></u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>DRAINS</u>	<u>REVOLVING DRAINS</u>	<u>TOTAL</u>
REVENUES:			
Special assessments	\$ 147,943	\$ -	\$ 147,943
Interest	109,853	-	109,853
Other	99,779	-	99,779
TOTAL REVENUES	<u>357,575</u>	<u>-</u>	<u>357,575</u>
EXPENDITURES:			
Contracted work	1,863,218	-	1,863,218
Engineering	408,212	-	408,212
Legal	50,899	-	50,899
Fees for services	9,717	-	9,717
Materials	49,531	-	49,531
Printing and publishing	22,428	-	22,428
Other	138,258	-	138,258
TOTAL EXPENDITURES	<u>2,542,263</u>	<u>-</u>	<u>2,542,263</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,184,688)</u>	<u>-</u>	<u>(2,184,688)</u>
OTHER FINANCING SOURCES:			
Proceeds on borrowings	2,235,000	-	2,235,000
NET CHANGE IN FUND BALANCE	<u>50,312</u>	<u>-</u>	<u>50,312</u>
FUND BALANCE - JANUARY 1	3,019,464	-	3,019,464
FUND BALANCE - DECEMBER 31	<u>\$ 3,069,776</u>	<u>\$ -</u>	<u>\$ 3,069,776</u>

HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
BAD AXE DRAIN - PHASE 1
DECEMBER 31, 2006

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	6.40%	\$ 75,000	\$ 2,400	\$ 77,400
		<u>\$ 75,000</u>	<u>\$ 2,400</u>	<u>\$ 77,400</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
BAD AXE DRAIN - PHASE 2
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	5.50%	\$ 50,000	\$ 14,375	\$ 64,375
12/01/07	5.60%		12,975	12,975
06/01/08	5.60%	50,000	12,975	62,975
12/01/08	5.70%		11,550	11,550
06/01/09	5.70%	50,000	11,550	61,550
12/01/09	5.80%		10,100	10,100
06/01/10	5.80%	50,000	10,100	60,100
12/01/10	5.90%		8,625	8,625
06/01/11	5.90%	75,000	8,625	83,625
12/01/11	5.75%		6,469	6,469
06/01/12	5.75%	75,000	6,469	81,469
12/01/12	5.75%		4,313	4,313
06/01/13	5.75%	75,000	4,313	79,313
12/01/13	5.75%		2,156	2,156
06/01/14	5.75%	75,000	2,156	77,156
		<u>\$ 500,000</u>	<u>\$ 126,751</u>	<u>\$ 626,751</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
CRAMP DRAIN
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	5.70%	\$ 30,000	\$ 2,610	\$ 32,610
12/01/07	5.80%		1,755	1,755
06/01/08	5.80%	30,000	1,755	31,755
12/01/08	5.90%		885	885
06/01/09	5.90%	30,000	885	30,885
		<u>\$ 90,000</u>	<u>\$ 7,890</u>	<u>\$ 97,890</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
TODD DRAIN
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	6.60%	\$ 35,000	\$ 4,725	\$ 39,725
12/01/07	6.70%		3,570	3,570
06/01/08	6.70%	35,000	3,570	38,570
12/01/08	6.80%		2,398	2,398
06/01/09	6.80%	35,000	2,397	37,397
12/01/09	6.90%		1,208	1,208
06/01/10	6.90%	35,000	1,207	36,207
		<u>\$ 140,000</u>	<u>\$ 19,075</u>	<u>\$ 159,075</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
PITCHER DRAIN
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	5.00%	\$ 40,000	\$ 4,750	\$ 44,750
12/01/07	5.00%		3,750	3,750
06/01/08	5.00%	35,000	3,750	38,750
12/01/08	5.00%		2,875	2,875
06/01/09	5.00%	40,000	2,875	42,875
12/01/09	5.00%		1,875	1,875
06/01/10	5.00%	35,000	1,875	36,875
12/01/10	5.00%		1,000	1,000
06/01/11	5.00%	40,000	1,000	41,000
		<u>\$ 190,000</u>	<u>\$ 23,750</u>	<u>\$ 213,750</u>

HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
THOMPSON DRAIN
DECEMBER 31, 2006

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	4.90%	\$ 40,000	\$ 980	\$ 40,980
		<u>\$ 40,000</u>	<u>\$ 980</u>	<u>\$ 40,980</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
ALLEN DRAIN
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	4.50%	\$ 125,000	\$ 15,187	\$ 140,187
12/01/07	4.50%		12,375	12,375
06/01/08	4.50%	125,000	12,375	137,375
12/01/08	4.50%		9,563	9,563
06/01/09	4.50%	125,000	9,562	134,562
12/01/09	4.50%		6,750	6,750
06/01/10	4.50%	100,000	6,750	106,750
12/01/10	4.50%		4,500	4,500
06/01/11	4.50%	100,000	4,500	104,500
12/01/11	4.50%		2,250	2,250
06/01/12	4.50%	100,000	2,250	102,250
		<u>\$ 675,000</u>	<u>\$ 86,062</u>	<u>\$ 761,062</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
CRUMBACK DRAIN
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	4.75%	\$ 25,000	\$ 3,996	\$ 28,996
12/01/07	4.70%		3,403	3,403
06/01/08	4.70%	25,000	3,403	28,403
12/01/08	4.75%		2,815	2,815
06/01/09	4.75%	20,000	2,815	22,815
12/01/09	4.80%		2,340	2,340
06/01/10	4.80%	25,000	2,340	27,340
12/01/10	4.90%		1,740	1,740
06/01/11	4.90%	20,000	1,740	21,740
12/01/11	5.00%		1,250	1,250
06/01/12	5.00%	25,000	1,250	26,250
12/01/12	5.00%		625	625
06/01/13	5.00%	25,000	625	25,625
		<u>\$ 165,000</u>	<u>\$ 28,342</u>	<u>\$ 193,342</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
SCHRAM DRAIN
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	4.65%	\$ 70,000	\$ 11,830	\$ 81,830
12/01/07	4.70%		10,203	10,203
06/01/08	4.70%	70,000	10,202	80,202
12/01/08	4.75%		8,558	8,558
06/01/09	4.75%	70,000	8,557	78,557
12/01/09	4.80%		6,895	6,895
06/01/10	4.80%	70,000	6,895	76,895
12/01/10	4.90%		5,215	5,215
06/01/11	4.90%	70,000	5,215	75,215
12/01/11	5.00%		3,500	3,500
06/01/12	5.00%	70,000	3,500	73,500
12/01/12	5.00%		1,750	1,750
06/01/13	5.00%	70,000	1,750	71,750
		<u>\$ 490,000</u>	<u>\$ 84,070</u>	<u>\$ 574,070</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
BAY PORT DRAIN
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	4.75%	\$ 35,000	\$ 10,212	\$ 45,212
12/01/07	4.75%		9,381	9,381
06/01/08	4.75%	35,000	9,381	44,381
12/01/08	4.50%		8,550	8,550
06/01/09	4.50%	35,000	8,550	43,550
12/01/09	4.50%		7,763	7,763
06/01/10	4.50%	35,000	7,762	42,762
12/01/10	4.50%		6,975	6,975
06/01/11	4.50%	35,000	6,975	41,975
12/01/11	4.50%		6,188	6,188
06/01/12	4.50%	35,000	6,187	41,187
12/01/12	4.50%		5,400	5,400
06/01/13	4.50%	40,000	5,400	45,400
12/01/13	4.50%		4,500	4,500
06/01/14	4.50%	40,000	4,500	44,500
12/01/14	4.50%		3,600	3,600
06/01/15	4.50%	40,000	3,600	43,600
12/01/15	4.50%		2,700	2,700
06/01/16	4.50%	40,000	2,700	42,700
12/01/16	4.50%		1,800	1,800
06/01/17	4.50%	40,000	1,800	41,800
12/01/17	4.50%		900	900
06/01/18	4.50%	40,000	900	40,900
		<u>\$ 450,000</u>	<u>\$ 125,724</u>	<u>\$ 575,724</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
LINCOLN DRAIN
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	5.05%	\$ 35,000	\$ 3,640	\$ 38,640
12/01/07			2,756	2,756
06/01/08	5.15%	35,000	2,756	37,756
12/01/08			1,855	1,855
06/01/09	5.25%	35,000	1,855	36,855
12/01/09			936	936
06/01/10	5.35%	35,000	937	35,937
		<u>\$ 140,000</u>	<u>\$ 14,735</u>	<u>\$ 154,735</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
SHEBEON INTERCOUNTY DRAIN
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	5.40%	\$ 225,000	\$ 24,525	\$ 249,525
12/01/07	5.45%		18,450	18,450
06/01/08	5.45%	225,000	18,450	243,450
12/01/08	5.45%		12,319	12,319
06/01/09	5.45%	225,000	12,319	237,319
12/01/09	5.50%		6,188	6,188
06/01/10	5.50%	225,000	6,187	231,187
		<u>\$ 900,000</u>	<u>\$ 98,438</u>	<u>\$ 998,438</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
HARBOR BEACH CONSOLIDATED DRAIN
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	4.75%	\$ 50,000	\$ 26,737	\$ 76,737
12/01/07	4.80%		25,550	25,550
06/01/08	4.80%	50,000	25,550	75,550
12/01/08	4.85%		24,350	24,350
06/01/09	4.85%	75,000	24,350	99,350
12/01/09	4.90%		22,531	22,531
06/01/10	4.90%	75,000	22,531	97,531
12/01/10	5.00%		20,694	20,694
06/01/11	5.00%	75,000	20,694	95,694
12/01/11	5.10%		18,819	18,819
06/01/12	5.10%	75,000	18,819	93,819
12/01/12	5.20%		16,906	16,906
06/01/13	5.20%	75,000	16,906	91,906
12/01/13	5.30%		14,956	14,956
06/01/14	5.30%	75,000	14,956	89,956
12/01/14	5.35%		12,969	12,969
06/01/15	5.35%	75,000	12,968	87,968
12/01/15	5.40%		10,963	10,963
06/01/16	5.40%	75,000	10,962	85,962
12/01/16	5.50%		8,938	8,938
06/01/17	5.50%	75,000	8,937	83,937
12/01/17	5.50%		6,875	6,875
06/01/18	5.50%	75,000	6,875	81,875
12/01/18	5.50%		4,813	4,813
06/01/19	5.50%	75,000	4,812	79,812
12/01/19	5.50%		2,750	2,750
06/01/20	5.50%	100,000	2,750	102,750
		<u>\$ 1,025,000</u>	<u>\$ 408,961</u>	<u>\$ 1,433,961</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
BEAUBIEN DRAIN
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	4.95%	\$ 50,000	\$ 6,312	\$ 56,312
12/01/07			5,075	5,075
06/01/08	5.00%	50,000	5,075	55,075
12/01/08			3,825	3,825
06/01/09	5.05%	50,000	3,825	53,825
12/01/09			2,563	2,563
06/01/10	5.10%	50,000	2,562	52,562
12/01/10			1,288	1,288
06/01/11	5.15%	50,000	1,287	51,287
		<u>\$ 250,000</u>	<u>\$ 31,812</u>	<u>\$ 281,812</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
CAMERON DRAIN
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	4.30%	\$ 30,000	\$ 5,444	\$ 35,444
12/01/07			4,799	4,799
06/01/08	4.40%	30,000	4,799	34,799
12/01/08			4,139	4,139
06/01/09	4.50%	35,000	4,139	39,139
12/01/09			3,351	3,351
06/01/10	4.60%	35,000	3,351	38,351
12/01/10			2,546	2,546
06/01/11	4.70%	35,000	2,546	37,546
12/01/11			1,724	1,724
06/01/12	4.85%	35,000	1,724	36,724
12/01/12			875	875
06/01/13	5.00%	35,000	875	35,875
		<u>\$ 235,000</u>	<u>\$ 40,312</u>	<u>\$ 275,312</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
TAFT DRAIN
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	3.80%	\$ 65,000	\$ 8,395	\$ 73,395
12/01/07			7,160	7,160
06/01/08	4.00%	65,000	7,160	72,160
12/01/08			5,860	5,860
06/01/09	4.20%	65,000	5,860	70,860
12/01/09			4,495	4,495
06/01/10	4.30%	65,000	4,495	69,495
12/01/10			3,098	3,098
06/01/11	4.40%	70,000	3,098	73,098
12/01/11			1,558	1,558
06/01/12	4.45%	70,000	1,555	71,555
		<u>\$ 400,000</u>	<u>\$ 52,734</u>	<u>\$ 452,734</u>

HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
FILION DRAIN
DECEMBER 31, 2006

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	3.45%	\$ 40,000	\$ 8,280	\$ 48,280
12/01/07			7,590	7,590
06/01/08	3.45%	40,000	7,590	47,590
12/01/08			6,900	6,900
06/01/09	3.45%	40,000	6,900	46,900
12/01/09			6,210	6,210
06/01/10	3.45%	40,000	6,210	46,210
12/01/10			5,520	5,520
06/01/11	3.45%	40,000	5,520	45,520
12/01/11			4,830	4,830
06/01/12	3.45%	40,000	4,830	44,830
12/01/12			4,140	4,140
06/01/13	3.45%	40,000	4,140	44,140
12/01/13			3,450	3,450
06/01/14	3.45%	40,000	3,450	43,450
12/01/14			2,760	2,760
06/01/15	3.45%	40,000	2,760	42,760
12/01/15			2,070	2,070
06/01/16	3.45%	40,000	2,070	42,070
12/01/16			1,380	1,380
06/01/17	3.45%	40,000	1,380	41,380
12/01/17			690	690
06/01/18	3.45%	40,000	690	40,690
		<u>\$ 480,000</u>	<u>\$ 99,360</u>	<u>\$ 579,360</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
EAST BRANCH OF THE WILLOW CREEK DRAIN
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	3.00%	\$ 150,000	\$ 36,325	\$ 186,325
12/01/07			34,075	34,075
06/01/08	3.00%	150,000	34,075	184,075
12/01/08			31,825	31,825
06/01/09	3.00%	150,000	31,825	181,825
12/01/09			29,575	29,575
06/01/10	3.00%	150,000	29,575	179,575
12/01/10			27,325	27,325
06/01/11	3.50%	150,000	27,325	177,325
12/01/11			24,700	24,700
06/01/12	3.50%	150,000	24,700	174,700
12/01/12			22,075	22,075
06/01/13	3.50%	150,000	22,075	172,075
12/01/13			19,450	19,450
06/01/14	3.50%	150,000	19,450	169,450
12/01/14			16,825	16,825
06/01/15	3.60%	150,000	16,825	166,825
12/01/15			14,125	14,125
06/01/16	3.70%	150,000	14,125	164,125
12/01/16			11,350	11,350
06/01/17	3.80%	150,000	11,350	161,350
12/01/17			8,500	8,500
06/01/18	4.00%	150,000	8,500	158,500
12/01/18			5,500	5,500
06/01/19	4.00%	150,000	5,500	155,500
12/01/19			2,500	2,500
06/01/20	4.00%	125,000	2,500	127,500
		<u>\$ 2,075,000</u>	<u>\$ 531,975</u>	<u>\$ 2,606,975</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
COOK DRAIN
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	3.05%	\$ 35,000	\$ 7,306	\$ 42,306
12/01/07			6,772	6,772
06/01/08	3.20%	35,000	6,773	41,773
12/01/08			6,212	6,212
06/01/09	3.40%	35,000	6,213	41,213
12/01/09			5,618	5,618
06/01/10	3.55%	35,000	5,618	40,618
12/01/10			4,996	4,996
06/01/11	3.70%	35,000	4,996	39,996
12/01/11			4,349	4,349
06/01/12	3.90%	35,000	4,349	39,349
12/01/12			3,666	3,666
06/01/13	4.00%	35,000	3,666	38,666
12/01/13			2,966	2,966
06/01/14	4.10%	35,000	2,966	37,966
12/01/14			2,249	2,249
06/01/15	4.20%	35,000	2,249	37,249
12/01/15			1,514	1,514
06/01/16	4.30%	35,000	1,514	36,514
12/01/16			761	761
06/01/17	4.35%	35,000	761	35,761
		<u>\$ 385,000</u>	<u>\$ 85,514</u>	<u>\$ 470,514</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
SEBEWAING RIVER INTERCOUNTY DRAIN
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	2.30%	\$ 110,000	\$ 14,135	\$ 124,135
12/01/07			12,870	12,870
06/01/08	2.70%	110,000	12,870	122,870
12/01/08			11,385	11,385
06/01/09	3.00%	110,000	11,385	121,385
12/01/09			9,735	9,735
06/01/10	3.20%	110,000	9,735	119,735
12/01/10			7,975	7,975
06/01/11	3.40%	110,000	7,975	117,975
12/01/11			6,105	6,105
06/01/12	3.60%	110,000	6,105	116,105
12/01/12			4,125	4,125
06/01/13	3.70%	110,000	4,125	114,125
12/01/13			2,090	2,090
06/01/14	3.80%	110,000	2,090	112,090
		<u>\$ 880,000</u>	<u>\$ 122,705</u>	<u>\$ 1,002,705</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
CAMPAU AND BRANCHES
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	3.65%	\$ 45,000	\$ 14,546	\$ 59,546
12/01/07			13,725	13,725
06/01/08	3.70%	45,000	13,725	58,725
12/01/08			12,893	12,893
06/01/09	3.75%	45,000	12,893	57,893
12/01/09			12,049	12,049
06/01/10	3.80%	45,000	12,049	57,049
12/01/10			11,194	11,194
06/01/11	3.85%	45,000	11,194	56,194
12/01/11			10,328	10,328
06/01/12	3.90%	45,000	10,328	55,328
12/01/12			9,450	9,450
06/01/13	4.00%	50,000	9,450	59,450
12/01/13			8,450	8,450
06/01/14	4.05%	50,000	8,449	58,449
12/01/14			7,438	7,438
06/01/15	4.10%	50,000	7,437	57,437
12/01/15			6,413	6,413
06/01/16	4.15%	50,000	6,412	56,412
12/01/16			5,375	5,375
06/01/17	4.20%	50,000	5,374	55,374
12/01/17			4,325	4,325
06/01/18	4.25%	50,000	4,324	54,324
12/01/18			3,263	3,263
06/01/19	4.30%	50,000	3,262	53,262
12/01/19			2,188	2,188
06/01/20	4.35%	50,000	2,187	52,187
12/01/20			1,100	1,100
06/01/21	4.40%	50,000	1,100	51,100
		<u>\$ 720,000</u>	<u>\$ 230,921</u>	<u>\$ 950,921</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
McMULLEN AND BRANCHES
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	3.85%	\$ 50,000	\$ 22,156	\$ 72,156
12/01/07			21,194	21,194
06/01/08	3.90%	75,000	21,194	96,194
12/01/08			19,731	19,731
06/01/09	3.95%	75,000	19,731	94,731
12/01/09			18,250	18,250
06/01/10	4.00%	75,000	18,250	93,250
12/01/10			16,750	16,750
06/01/11	4.05%	75,000	16,750	91,750
12/01/11			15,231	15,231
06/01/12	4.10%	75,000	15,231	90,231
12/01/12			13,694	13,694
06/01/13	4.15%	75,000	13,694	88,694
12/01/13			12,138	12,138
06/01/14	4.20%	75,000	12,138	87,138
12/01/14			10,563	10,563
06/01/15	4.25%	75,000	10,563	85,563
12/01/15			8,969	8,969
06/01/16	4.30%	75,000	8,969	83,969
12/01/16			7,356	7,356
06/01/17	4.40%	75,000	7,356	82,356
12/01/17			5,706	5,706
06/01/18	4.50%	75,000	5,705	80,705
12/01/18			4,019	4,019
06/01/19	4.55%	75,000	4,018	79,018
12/01/19			2,313	2,313
06/01/20	4.60%	50,000	2,312	52,312
12/01/20			1,163	1,163
06/01/21	4.65%	50,000	1,162	51,162
		<u>\$ 1,050,000</u>	<u>\$ 336,306</u>	<u>\$ 1,386,306</u>

**HURON COUNTY DRAIN FUNDS
A COMPONENT UNIT OF HURON COUNTY, MICHIGAN
SCHEDULE OF BONDED INDEBTEDNESS
SYMONS AND BRANCHES
DECEMBER 31, 2006**

<u>PAYMENT DUE DATE</u>	<u>INTEREST RATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06/01/07	4.00%	\$ -	9,366	\$ 9,366
12/01/07			9,366	9,366
06/01/08	4.00%	30,000	9,366	39,366
12/01/08			8,766	8,766
06/01/09	4.00%	30,000	8,766	38,766
12/01/09			8,166	8,166
06/01/10	4.00%	30,000	8,166	38,166
12/01/10			7,566	7,566
06/01/11	4.00%	30,000	7,565	37,565
12/01/11			6,966	6,966
06/01/12	4.00%	30,000	6,966	36,966
12/01/12			6,366	6,366
06/01/13	4.00%	30,000	6,365	36,365
12/01/13			5,766	5,766
06/01/14	4.00%	30,000	5,765	35,765
12/01/14			5,166	5,166
06/01/15	4.00%	30,000	5,165	35,165
12/01/15			4,566	4,566
06/01/16	4.00%	30,000	4,565	34,565
12/01/16			3,966	3,966
06/01/17	4.00%	30,000	3,965	33,965
12/01/17			3,366	3,366
06/01/18	4.00%	30,000	3,365	33,365
12/01/18			2,766	2,766
06/01/19	4.00%	30,000	2,765	32,765
12/01/19			2,166	2,166
06/01/20	4.125%	35,000	2,165	37,165
12/01/20			1,444	1,444
06/01/21	4.125%	35,000	1,443	36,443
12/01/21			722	722
06/01/22	4.125%	35,000	722	35,722
		<u>\$ 465,000</u>	<u>\$ 163,604</u>	<u>\$ 628,604</u>